

McDowell Corridor

Consideration on Moving Forward

Consideration for the Conversation

Compromise



McDowell Corridor >>>



What Makes Up a livable community

<u>Givens</u>

- All parties to the process should already understand that reinvigorating the McDowell Road Corridor is a complex process that will take time.
- ➤ Property owners are understandably interested in protecting their investment.
- The City is interested in revitalization.
- ► All Scottsdale citizens have a stake in the outcome.
- > Reality of the existing features of the corridor's parcels
- ➤ Reality of current market forces
- ➤ What the government can and cannot do



Property Considerations

- ➤ Dealership properties typically feature significant frontage and less depth. This configuration excludes or limits certain alternative uses unless more land is acquired through an assemblage.
- ➤Owners of dealership properties typically paid top-of-the-market prices for land knowing that dealerships return higher-than-market-rate rents. Thus, unless distressed, there is little motivation for owners to offer deep discounts to developers (sale) or users (lease) focused on a different use.
- ➤ Dealership sales showrooms are atypically set back from the main road to accommodate automobile displays and the buildings themselves are difficult to convert to alternative uses.
- ➤ Some dealership sites might have been subjected to environmental contamination.
- Adjacent property owners as well as other stakeholders along the corridor have a vested interest in the revitalization of the area as well as the need for flexibility in reorienting their businesses to adjust to changing markets.



Swimming Upsteam >>>

Obstacles to change

Market Considerations

- ➤ Development activity is virtually at a standstill. The upside is that the City and property owners have time to address some issues that might impede redevelopment when the market stabilizes.
- ➤ Due to shifting demographics, freeway construction, and significant changes in the way that automobiles are marketed, the McDowell Road Corridor will never reemerge as a competitive site for selling new vehicles.
- Although recovery of sales tax dollars should interest the City in evaluating redevelopment proposals, major commercial development will be extremely limited by the number of competitive retail centers that have emerged recently within the same trade area.
- ➤ Even if developers come forward with interesting plans, actual implementation will be severely restricted for the foreseeable future by tight capital markets limiting access to loans.



Home and Hearth >>>

Property and values

Regulatory Considerations

- The City's primary role is pretty much restricted to creating an environment for successful redevelopment.
- Ambiguities in zoning regulations should be identified and corrected so that applications for changes are not subject to interpretation and every applicant is assured of being treated equally.
- The City's permitting process should be evaluated and, if necessary, streamlined to avoid unnecessary delays and confusion.
- ➤ The City should use the McDowell Road Corridor example to reevaluate zoning and signage regulations and restrictions on Frank Lloyd Wright Blvd. that might be placing undue stress on those dealerships which the City can ill-afford to lose.
- Some weight should be given to exploring the use of public/private partnerships and what adaptations to current City policy are needed for this to occur.



Process Considerations

- Ensure that all participants in the McDowell Road planning process are familiar with these and other considerations put forward that will limit available options, thus ensuring that ongoing discussions are firmly rooted in realistic possibilities.
- ➤ McDowell Road, as it changes, will develop more as segmented nodes than as a revitalized dominant use, single-themed corridor.
- ➤ Property owners, both large and small, should be recognized as the ultimate key players in the revitalization process.
- ➤ Removing obstacles to redevelopment is probably more important and effective at this time than providing incentives

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